

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNIVERSAL CITY STUDIOS, INC.,	:	
	:	
Plaintiff,	:	82 Civ. 4259 (RWS)
	:	
-against-	:	
	:	AFFIDAVIT OF
	:	<u>HOWARD LINCOLN</u>
NINTENDO CO., LTD. and	:	
NINTENDO OF AMERICA, INC.,	:	
	:	
Defendants.	:	
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STATE OF NEW YORK)
 : SS.:
COUNTY OF NEW YORK)

HOWARD C. LINCOLN, being duly sworn, hereby deposes and says:

1. I am Senior Vice President and General Counsel of Nintendo of America, Inc. I am fully familiar with the facts stated herein, and I submit this affidavit in support of the motion of Nintendo Co., Ltd. and Nintendo of America, Inc. for summary judgment dismissing the complaint of Universal City Studios, Inc. in this action.

2. Before adopting the name "Donkey Kong" for its video arcade game, which is the subject of this action, Nintendo Co. Ltd. conducted a trademark search in Japan to determine whether the name "Donkey Kong" was available for registration in Japan. The search revealed that the mark was available and a trademark registration was obtained.

3. Before the "Donkey Kong" game was introduced into the United States market, Nintendo of America, Inc. retained Larry A. Jackson, Esq. of the law firm of Christensen, O'Connor, Johnson & Kindness, to determine whether the mark DONKEY KONG & DESIGN was available for registration in the United States. Mr. Jackson engaged Thomson & Thomson Inc., a recognized trademark search firm, to conduct a trademark search of the words "Donkey Kong" for games, particularly video games. The search included a review of registrations in the United States Trademark Office and in all 50 states, and a review of trade and telephone directories and information furnished by industry sources.

4. The result of the Thomson & Thomson Inc., search was submitted in the form of a Trademark Search Report dated June 26, 1981, a copy of which is attached hereto as Exhibit 1. The Search Report failed to show any combination of words similar to "Donkey Kong". The search report also revealed that no single company appeared to have exclusive rights to either "Donkey" or "Kong" in the field of toys, games or related goods. With respect to "Kong", for example, the search results revealed that Tufftoys, Inc. had registered "Kong" and the "Amazing Kong" for toys for pets; Milton Bradley had registered "Kongo" for a table game; and Mego Corp. had registered "King Kong" for toys and playthings.

5. On the basis of the trademark search completed by Thomson & Thomson Inc., Mr. Jackson advised Nintendo of America, Inc. that the mark Donkey Kong was available for registration in the United States Trademark Office. A copy of his opinion letter dated July 10, 1981, to Nintendo of America, Inc. is attached hereto as Exhibit 2.

6. Nintendo of America, Inc. obtained United States Copyright Registration No. Pa 115-040 with an effective date of July 30, 1981, for its audio video game Donkey Kong and thereafter began marketing its Donkey Kong game in the United States.

7. In October 1981 an application for registration of the mark DONKEY KONG & DESIGN in the name of Nintendo of America, Inc., was submitted to the United States Patent and Trademark Office. A copy of this application is attached hereto as Exhibit 3. After reviewing the application for registration of the mark DONKEY KONG & DESIGN, the Trademark Office by notice dated April 26, 1982, issued an opinion stating inter alia, that:

A search of the Office records fails to show that the mark when applied to applicant's goods and/or services, so resembles any registered mark as to be likely to cause confusion, or to cause mistake or to deceive. TMEP Section 1105.01

A copy of this opinion is attached hereto as Exhibit 4.

8. On April 28, 1982, Nintendo of America, Inc. received a telex from Universal City Studios, Inc. claiming that the Donkey Kong game infringed on Universal's rights in the mark King Kong and demanding, inter alia, that Nintendo of America, Inc. cease and desist from marketing the game.

9. To ascertain the validity of Universal's claimed rights in the mark "King Kong", Nintendo of America, Inc. engaged Thomson & Thomson Inc. to conduct a trademark search of the mark "King Kong" for entertainment services, visual arts services and video games. A copy of Thomson & Thomson, Inc.'s Trademark Search Report dated May 3, 1982, is attached hereto as Exhibit 5.

10. The Search Report revealed numerous registrations of marks similar to "King Kong" or "Kong", and indicated that no single company has exclusive rights in the words "King Kong" or "Kong". For example, the Search Report showed that H.H. Brown Shoe Co. Inc. owned the registered mark "King Kong" for footwear (Reg. No. 1,118,277); Clipper Pyrotechnic Corporation owned the registered mark "King Kong" for fireworks (Reg. No. 859,531); Modiris A.G. Glarus Switzerland had applied for the mark "King Kong de Kenzo" for perfumes and cosmetics (App. No. SN 245,196); Carilo M. Basas owned the registered mark "King Conga" for drums or drum sets (Reg. No. 1,000,746); Congoleum Industries Inc. owned the registered mark "King Congo" for rugs or carpets (Reg. No. 932,342); Banyan Enterprises owned the registered mark "King Pong" for tennis game accessories (Reg. No. 1,129,339); Kingi Enterprises Co. Ltd. owned the registered mark "Cheng Kong" for

sporting articles (Reg. No. 1,168,547); and Tufftoys Inc. owned the registered mark "The Amazing Kong" (Reg. No. 1,161,102) and "Kong" (Reg. No. 1,145,509) for stuffed toys.

11. Nintendo of America, Inc. through its counsel obtained the application file for the registered trademark "King Kong" for footwear by H.H. Brown Shoe Co., Inc. (Reg. No. 1,118,277) from the Trademark Office. The registration indicates first use of the mark "King Kong" by H.H. Brown in 1925 and registration of the mark on May 15, 1979. A copy of the H.H. Brown Shoe Co., Inc. application file is attached hereto as Exhibit 6.

12. Nintendo of America, Inc. through its counsel obtained the application file for the registered trademark "King Kong" for fireworks by Clipper Pyrotechnic Corp. (Reg. No. 859,531) from the Trademark Office. The registration indicates first use of the mark in commerce in January 1965 and registration of the mark on November 5, 1968. A copy of the Clipper Pyrotechnic Corp. application file is attached hereto as Exhibit 7.

13. Nintendo of America, Inc. through its counsel also obtained the application file for the registered mark "Kong" (Reg. No. 1,145,509) and "The Amazing Kong" (Reg. No. 1,161,102) for stuffed toys by Tufftoys Inc. The registration indicates first use of the mark in commerce in May 1975 and registration of the mark on January 6, 1981, and first use of the mark "The Amazing Kong" in commerce in July 1977 and registration of the mark on July 14, 1981.

Copies of the Tufftoys application files are attached hereto as Exhibit 8.

14. On January 4, 1983, the Trademark Office issued a Notice of publication under Section 12(a) for the mark DONKEY KONG & DESIGN for electronic coin operated video games using a video display in the name of Nintendo of America, Inc. A copy of this publication is attached hereto as Exhibit 9. Registration of the mark DONKEY KONG & DESIGN has, however, been stayed by the Trademark Office, at the request of the parties pending the outcome of this litigation.

15. Nintendo of America, Inc. has continually insured that its company name appears prominently on Nintendo's Donkey Kong games and on all licensed products. The exteriors of the cabinetry of all Donkey Kong video arcade games display Nintendo's copyright notice "(c) 1981 Nintendo of America, Inc." and "Nintendo (TM) and "Donkey Kong (TM)" Prior to insertion of a coin in the game, the video screen continuously and automatically displays an attract made, which shows the name "Donkey Kong (TM)" and copyright "(c) 1981 Nintendo of America, Inc." Nintendo's licensed products similarly display the mark "Donkey Kong" and copyright notice "(c) 1981 Nintendo of America, Inc."

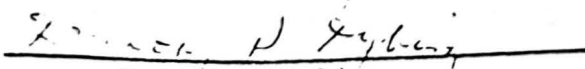
16. Because of the success of the Donkey Kong arcade video game, Nintendo developed and now successfully markets the arcade video games called "Donkey Kong, Jr." and "Mario Brothers" and handheld liquid crystal video games called "Donkey Kong", "Donkey Kong II", "Donkey Kong, Jr.", and "Mario Brothers". Nintendo also

manufactures and sells tabletop video games including "Mario's Cement Factory" and "Donkey Kong, Jr.".

17. Universal City Studios, Inc. has approached Nintendo's licensees, threatening legal action and demanding an accounting for all profits from the sale and distribution of Donkey Kong products. Ruby-Spears Enterprises, a licensee of Nintendo, in exchange for a covenant not to sue, gave Universal the right to receive royalties on the exploitation of Donkey Kong television programs to be produced by Ruby-Spears and the right "to distribute the [Donkey Kong] program produced off network throughout the world in all media and forms including but not limited to pay television, cable television, video discs and/or cassettes . . ." Universal will have no control over the content or quality of Ruby Spears' production. The television credits will not refer to any alleged trademark rights in Universal. Nintendo of America, Inc. will maintain its exclusive control over the productions and its name is to be featured prominently in the credits as the trademark owner of Donkey Kong.


HOWARD C. LINCOLN

Sworn to before me this
4th day of May, 1983.


Notary Public

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